The A. F. of L. Weekly News Service gives news accounts and editorial interpretations of matters affecting labor covering in the industrial, legislative, and judicial fields, and contains other information of benefit to the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

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Thru Payroll Savings

WHOLE NO. 1804 | WILLIAM GREEN, President | WASHINGTON, D. C., TUESDAY, NOVEMBER 6, 1945 | GEORGE MEANY, Secretary-Treasurer | VOL. 36, NO. 45

TRUMAN SPEAKS

Labor-Management Peace Conference Under Way; Truman Supports 20 Percent Federal Pay Boost

Washington, D. C.—Highlights of President Truman's significant radio address to the nation on wages, prices and legislation vitally important to labor follows:

On Legislation

Several months ago I urged the Congress to amend the unemployment compensation law so as to help workers through the difficult months of unemployment until reconversion could be effected. The Congress has not yet passed that legislation.

The responsibility for that is solely up to the Congress—and specifically I mean the Ways and Means Committee of the House of Representatives. I hope that this committee will fulfill its obligation to the people of the nation, and will give the members of the House an early chance to vote on this important legislation. We must all recognize that legislation which will help sustain the purchasing power of labor until reconversion is completed, benefits not labor alone but all of us—business, agriculture, white-collar workers and every member of our economic society.

I am sure that the workers of the nation, those who depend upon manual labor for a livelihood, also feel a deep concern about full employment legislation which is now pending in the Congress. It is essential that the Congress speedily adopt some effective legislative which embodies the principles underlying full employment.

The American people are entitled to know now that this government stands for prosperity and jobs—not depression and relief. Passage of a full employment bill will give the American people this assurance

The responsibility for the damaging delay in enacting this legislation is definitely at the door of the Committee on Expenditures in the Executive Departments of the House of Representatives.

I am also sure that the workers of the nation feel the same way about what is now happening to the United States Employment Service in the Senate and in the House. During the next year, millions of workers will have to look to efficient and centralized employment offices to find jobs for them anywhere in the country. The United States Employment Service has done so much during the war, and can do so much during the months ahead if it can continue to operate as a nationwide and unified organization, that I hope the Congress, for the time being, will keep this great public service under federal management.

On Wage Policy

But quite as important as these problems of unemployment is the fact that the end of the war has meant a deep cut in the pay envelope of many millions of workers. I wonder how many of you know that many war-workers have already had to take, or will soon have to take, a cut in their wartime pay by one-quarter or more. Think of what such a decrease in your income would mean to you and to your families.

It has been estimated that, unless checked, the annual wage and salary bill in private industry will shrink by over 20 billions of dollars. That is not going to do anybody any good—labor, business, agriculture, or the general public.

The corner grocer is going to feel it, as well as the department store, the railroads, the theaters, and the gas stations—and all the farmers of the nation.

It is a sure road to wide unemployment.

This is what is known as deflation, and it is just as dangerous as inflation.

However, we must understand that we cannot hope, under any circumstances, to reduce our weekly pay-checks to the same take-home pay for labor generally that it has had during the war. There will have to be a drop. But the nation cannot afford to have that drop be disastrous.

Wage increases are therefore imperative—to cushion the shock to our workers, to sustain adequate purchasing power and to raise the national income.

Price Line Must Be Held

There are many people who have said to me that industry cannot afford to grant any wage increases, however, without obtaining a corresponding increase in the price of its products. They have urged me to use the machinery of government to raise both.

This proposal cannot be accepted under any circumstances. To accept it would mean but one thing—inflation. And that invites disaster. An increase in wages, if it were accompanied by an increase in the cost of living would not help even the lowest-paid worker. Every extra dollar that would be put in their pay envelopes under those circumstances would be needed to meet the higher living expenses resulting from increased prices.

Obviously, such a juggling of wages and prices would not settle anything or satisfy anyone. A runaway inflation would be upon us.

When inflation comes and the cost of living begins to spiral, nearly everybody suffers. Wage increases, under those conditions, would defeat their own purpose and mean nothing to labor. White-collar workers would find that their fixed incomes, their clothing allowances, their farmers' incomes would shrink because they would have to pay so much more for what they buy. Increased earnings would mean nothing to business itself. War bonds, insurance policies, pensions, annuities, bonds of all kinds would shrink in value.

The Proposed Solution

If these twin objectives of sure—stability of prices and higher wage rates—are to be reconcilable, if one could not be achieved without sacrificing the other, the outlook for all of us—labor, management, farmer and consumer—would be very black indeed.

Fortunately, this is not so. While the position of different industries vary greatly, there is room in the existing price structure for business as a whole to grant increases in wage rates.

And if all of us would approach the problem in a spirit of reasonableness and give-and-take—if we would sit down together and try to determine how much increase a particular company or industry could allow at a particular time—I think most businessmen would agree that wage increases are possible. Many firms, in fact, have already negotiated substantial wage increases without asking for any increase of prices.

There are several reasons why I believe that industry as a whole can afford substantial wage increases at this time.

First, the elimination of the time and a half for overtime has reduced labor costs per hour.

Second, the increase in the number of people needing jobs is resulting in a downward reclassification of jobs in many industries and in many sections of the country.

There is a third reason for believing that business can afford to pay wage increases—namely, increased output per hour of work or what is generally called increased productivity. With increased production rates ultimately with labor, the time will soon come when improvements in machinery and manufacturing know-how developed in the war can certainly result in more goods per hour and additional room for wage increases.

As a fourth reason, business is in a very favorable profit position today, with excellent prospects for the period that lies ahead. Again, that is not true of all companies. Nevertheless, throughout industry and in every branch of industry, profits have been and still are very good indeed.

Finally, the Congress is now considering the advisability of the elimination of the excess-profits tax. Provision has already been made in our tax laws to enable corporations whose earnings drop below their normal peacetime level to receive a refund of the excess-profits taxes paid during the years which they have paid during the preceding two years. These and other provisions of the tax laws were designed to reduce to a minimum the risks entailed in reconversion and that is precisely what they accomplish. They also add to the ability of industry to increase wages.

Through Collective Bargaining

Let me now turn to the question of just how wages are to be increased. Many people have asked the government to step in and decide who is to increase wages and by exactly how much. I have, indeed, been criticized because I have not stepped in to do just that. But I have no intention to. My refusal to do so has been deliberate. Curiously enough, the same people who urge me to use government wartime machinery of control to determine wage adjustments have on other occasions been the first to point out that the continued intervention of government must spell the end of our system of free enterprise.

I am convinced that we must get away as quickly as possible from government controls, and that we must get back to the free operation of our competitive system. Where wages are concerned, this means that we must get back to free and fair collective bargaining.

As a free people, we must have the good sense to bargain peaceably and honestly. We must be determined to reach decisions based upon our long-range interest.

Let me emphasize, however, that the decisions that are reached in collective bargaining must be kept within the limits laid down by the wage-price policy of the government.

Administration Proposal Seen As Strong Clue To Truman's Policy For Wage Hikes Throughout Private Industry

Washington, D. C.—President Truman gave the nation a clear clue to what he considers a fair pay increase for American workers generally when he threw the full support of his administration behind a proposal to lift salary scales of federal employes by 20 percent immediately.

Practicing what he preached to private industry, the President advocated a program under which Uncle Sam would give his faithful servants sufficient added income to meet increases in the cost of living.

The administration plan was unveiled before Congress by Civil Service Commissioner Arthur S. Flemming, Chairman Sheridan Downey, of the Senate Civil Service Committee, who has introduced a bill for 20 percent federal wage increases, indicated his committee would move for prompt action by Congress.

Flemming told the committee that the President had publicly branded government wages as "pitiful and inadequate." The Civil Service official added:

"The President's statement is a challenge to all of us who are connected with the government to raise our sights in terms of the things that need to be done in order to make the government stand out as one of the most progressive employers in the nation, and thus attract to its service and hold in its service persons of outstanding qualifications."

Flemming gave this justification of a flat 20 percent increase in pay of white-collar employes whose salaries are fixed by the Classification Act:

1—That the average annual stairght time earning of federal employes covered by the bill had increased from $1929 in January 1941, to $2340 in July, 1945, or a percentage increase of 21.3 percent.

2—The cost of living since January 1, 1941, he said, "has increased by approximately 30 percent which means that there must be an additional 8 percent increase in the present average annual straight time earnings of federal employes covered by this bill in order to make sure that their 1946 dollars will purchase as much as their 1941 dollars."

3—That 12 percent additional is being asked in line with the President's statement Tuesday that "wage increases are imperative."

"We submit," he said, "that the government, as an employer, is being extremely conservative."

Flemming recommended far more liberal pay increases for government officials in the higher brackets.

He urged 100 percent increases for members of Congress, from $10,000 to $20,000 a year. Cabinet members would be raised from $15,000 to $25,000. The same boost was suggested for the members of the House and the vice president. Increases of $10,000 a year were urged for Supreme Court Justices and for judges of lower federal courts.

Government employe unions of the American Federation of Labor, which originally started the drive for higher pay rates, threw their full support behind the administration's program.

Progress Noted In Labor Peace

Washington, D. C.—Taking note of the fact that employer representatives at the Labor-Management Conference have unqualifiedly endorsed collective bargaining, President Martin Durkin of the United Association of Plumbers and Steamfitters hailed this fact as a sign of progress in labor relations.

Speaking over the AFL's "Labor, USA" broadcast program, Mr. Durkin said:

"Ten years ago that would have been considered almost revolutionary doctrine for a businessman. Collective bargaining was not generally accepted, nor was it widely practiced. Many employers shuddered at the thought of sitting down together with representatives of labor unions to talk things over.

"The very fact that conditions have changed so rapidly in only 10 years and collective bargaining is now recognized as the only sensible and democratic procedure between labor and management proves that substantial progress already has been made and indicates that even greater progress can be achieved in the future."

AFL UNIONS RESPOND TO VICTORY BOND APPEAL

Washington, D. C.—The Treasury Department hailed the response from AFL organizations in response to appeals from Secretary of the Treasury Vinson and AFL President Green for support of the current Victory Loan drive.

Unions, both national and local, wired Vinson enthusiastic pledges to invest union funds in bonds and to encourage union members to continue purchasing Victory Bonds to the limit of their ability. The Treasury Department indicated it was pleased with the response.

Bowles Says 65-Cent Minimum Wage Will Not Force Increases In Prices

Washington, D. C.—Raising the minimum wage of 40 cents an hour on interstate commerce from the present 40 cents an hour to 65 cents as provided in pending legislation would not have no significant price consequences, Chester Bowles, price administrator, assured Congress.

In testimony before a Senate subcommittee studying a modification of the Fair Labor Standards Act, Mr. Bowles declared that a higher floor for wages was "imperative" to the health of the national economy.

"There need be no hesitation on any other basis because of the price consequences of this legislation," said Mr. Bowles.

He presented figures purporting to show that a $14,000,000 rise in the tobacco industry payroll, needed to lift to the wage floor the 58 per cent of the workers in that industry now receiving less than 65 cents an hour, would mean about one-tenth of a cent per pack of cigarettes if the entire increase were taken out of cigarettes alone. He pointed out, however, that the profits in that industry in 1944 amounted to $154,000,000, which the proposed wage increase would reduce by 9 percent.

Introduction of a 65-cent minimum wage bill.

SAY, LISTEN!

For the rest of this year, the AFL presents each Saturday evening at 6:45 P.M., EST, over the nation-wide network of the American Broadcasting Company a radio news-magazine, featuring the latest news at home and abroad and special reports by expert commentators on important labor problems. This program is listed in the radio columns of your newspaper as "Labor-U.S.A." Our own subtitle for the program is "The American Federationist of the Air." Don't miss these bright, newsy broadcasts! Listen every Saturday night!

FREY URGES HIGHER PAY, BRAKE ON INFLATION

Washington, D. C.—In a nation-wide radio address, President John P. Frey of the AFL Metal Trades Department called for wage increases to avert a postwar depression.

At the same time, Mr. Frey emphasized that higher wage rates would prove an empty boon if the cost of living is permitted to rise. He warned that inflation resulting from boosting prices would impair the investments of billions of dollars and destroy the purchasing power of the workers' earnings. There can be no national prosperity "in any real sense," Mr. Frey said, unless the wage earner's real wage "is maintained and increased."

Green Pleads For Jewish Refuge

Washington, D. C.—AFL President William Green made a strong appeal for immediate action toward increasing Jewish immigration into Palestine and establishment of that country as a refuge for persecuted Jews.

Mr. Green spoke at a dinner marking the closing session of the International Christian Conference for Palestine. He said:

"The power and prestige of all the United Nations must be back of this righteous cause so that we can truly say to the world that our victory was a victory for freedom and human justice."

Mr. Green told the gathering that "the dismembered of Europe, now living in concentration camps, have no other future home or refuge than Palestine to look forward to." He expressed the hope that the labor government of Great Britain will correct the mistakes of past British governments on this issue and throw open the doors of Palestine to Jewish refugees.

AFL REPRESENTATIVE ON SURPLUS PROPERTY BOARD

Washington, D. C.—Appointment of a labor policy committee by the Surplus Property Administration, composed of representatives of the American Federation of Labor, the CIO, and the Railway Labor Executives' Association, was announced.

The committee, which will meet periodically with Administrator Symington to discuss the disposal of government-owned plants and the sales to labor, includes Boris Shishkin, AFL economist.

In announcing the appointments, Symington, said "we are asking labor's help in disposing of surplus property to the benefit of all walks of life."

AFL TEXTILE WORKERS SMASH THREE CIO RAIDS

Washington, D. C.—The United Textile Workers of America smashed three attempts by the CIO to raid its cotton and woolen mills in New England and the South.

Three of the new UTW victories occurred at the Empire Worsted Mills, Jamestown, N. Y., where the AFL union won by 231 to 181. The attempt to grab control at the Goodall-Sanford Mills, Sanford, Me., was killed by 1285 votes to 668. The challenge to the UTW at the Montgomery Cotton Mills, Montgomery, Ala., was wiped out by a vote of over 6 to 1 in favor of the UTW.

CONNECTICUT SETS DATE FOR STATE CONVENTION

Bridgeport, Conn.—Secretary-Treasurer Harold V. Putnam announced that the Connecticut Federation of Labor will hold its deferred convention in Bridgeport, Jan. 9 to 12, 1946.

Originally scheduled for last September, the convention was postponed when the Office of Defense Transportation declined to give its sanction. When the O. D. T. ban was lifted President Timothy M. Collins and Secretary-Treasurer Feinmark were authorized by the Executive Council of the State Federation to make suitable arrangements at the earliest possible date for the convention.

HATTERS RAISING HUGE FUND TO PROMOTE UNION LABEL

Washington, D. C.—The United Hatters, Cap and Millinery Workers International Union (AFL) started a drive for a fund of a quarter million dollars to promote the use of the Union Label. This is the first announcement of several campaigns planned by affiliated unions of the Union Label Trades Department to publicize their respective Union Labels and to promote the sale of the union-made articles upon which they appear.

The Hatters Union will supplement funds raised in the drive by appropriating 25 percent of the total amount raised as its contribution to the Union Label promotional drive.

Green Presents Four-Point AFL Program To Parley After Truman Opens Session With Plea For Accord

Washington, D. C.—Leaders of labor and industry with the eyes of the nation upon them, opened an epochal conference called by President Truman for the formulation of a "broad and permanent foundation for industrial peace and progress."

The first two days of the meeting were given over to speeches in which the spokesmen for the various groups represented outlined their views.

AFL President William Green, in a powerful appeal for constructive action, proposed a four-point program including more scientific collective bargaining, the establishment of union-management cooperation, improvement in the U. S. Conciliation Service and the extension of voluntary arbitration.

The labor-management conference was formally opened by President Truman who warned, in a brief address, that failure of the parley would mean regimented legislation by Congress.

Speaking before a backdrop of massed green ferns in the lofty auditorium of the Department of Labor building, with thirty-six delegates and an equal number of alternates ranged at long tables facing him, the President in matter-of-fact tones called upon labor and industrial leaders to work as a "team" in drafting a "definite policy in the field of labor relations."

Emphasizing that this was a conference of labor and management, with the government not participating in a voting capacity, the President, nevertheless offered several broad suggestions.

The key to harmonious relations between unions and management, he declared, must be genuine collective bargaining. He said:

"This is not mean giving more than a constructive principle. I mean the willingness on both sides, yes, the determination, to approach the bargaining table with an open mind, with an appreciation of what is on the other side of the table—and with a firm resolve to reach an agreement fairly."

If bargaining produces no results, the President said there must be a willingness on both sides to use impartial machinery to reach decisions based on facts and in that way to prevent strikes and lockouts.

He also emphasized the desirability of peaceful negotiation of contracts which should be fairly carried out.

As a final point, the President urged that some substitute be found for jurisdictional strikes.

Turning to the industry delegates, the President warned:

"Management too often has looked upon labor relations as a stepchild of its business, to be disregarded until the controversy has reached a point where real collective bargaining becomes very difficult—if not quite impossible. It happens all too frequently that in the actual process of collective bargaining delaying tactics are practiced with the result that there is no real bargaining. There can be no justification for such tactics at the present time or in the future."

The President left immediately after his address which closed the morning session. In the afternoon, the conference resumed with brief addresses by Secretary of Labor Schwellenbach and Secretary of Commerce Wallace. Then Justice Walter P. Stacy, chairman of the conference, called upon President Green to lead off for the delegates.

Mr. Green emphasized at once that the conference should confine its deliberations to the seven points in the agenda seeking methods by which industrial strife can be reduced to a minimum. He warned against trying to settle current wage disputes or controversial legislation in the proceedings. If that is done, he declared, it "would make failure of the conference a foregone conclusion."

Mr. Green marked a sharp difference of policy with the CIO whose President, Philip Murray, made it clear that his organization plans to drag in its difficulties with employers in current wage negotiations.

Mr. Green declared that such matters be settled by collective bargaining on an industrial or plant basis and not be injected into the national conference. He implied that if the CIO succeeded in its effort to force consideration of pending wage disputes, employer delegates might counter with a move for consideration of anti-labor legislation. The entire conference might break down under such circumstances, the AFL leader indicated.

In his address, Mr. Green said:

"Acceptance of collective bargaining as the most democratic and the most efficient tool in industrial relations must be genuine and wholehearted. Perfunctory acceptance of collective bargaining is worse than no acceptance. The real test of collective bargaining is an agreement. The embodiment of that agreement is a contract. When management and workers enter into a contract they assume obligations which are mutually binding upon them. An operating collective bargaining agreement is backed by the understanding, accord and acceptance of every person covered by its terms and by their sacred honor. It means that the management has an inviolate obligation to carry out the contract and to adhere to both the letter and the spirit of said contract. It means that not only the representatives of labor but every worker who is a party to the contract has a personal responsibility in abiding by its terms.

"Labor's basic right to organize and bargain collectively and the full acceptance of that right by the employer stands side by side with the right of employers to manage their enterprise and direct its operation without interference. That right should be respected and wholeheartedly accepted by labor. It is for us to provide means whereby this right can be clearly defined and accorded universal acceptance throughout industry.

"On our acceptance of these basic principles depends our ability to stamp out the causes of the major sources of industrial disputes. Strife of any kind, and industrial strife as well, can be prevented only through the removal of its cause. To control its consequences by legal mandate is to ignore the real problems that underlie disputes.

"Labor cannot and will not forfeit its right to protest. It cannot and will not surrender the right to strike. The right to strike is one of the free enterprise system. By curbing this inherent right we would take a decisive and irrevocable step toward far-reaching regimentation not only of labor but of the entire economy. Unquestionably, that right is indispensable to the success of our task; to devise sound and just procedures, open to agreed to, which would make work stoppages unnecessary except as a last resort, when all peaceful means of settlement have been completely and finally exhausted."

In urging more scientific collective bargaining, Mr. Green called for free and frank exchange of information at the bargaining tables. He added:

"In dealing with all issues, more attention has been given to the settlement of disputes that have already arisen, and not enough to problems which can be solved before they become disputes. Agreements on disputes which have already developed is more painful and less lasting than the advance agreement on remedies."

On union-management cooperation, he said:

"Let us devise ways and means to extend the use of union-management cooperation toward the basic objective of increasing and improving production, reducing unit costs, and thereby assuring fair and better wage standards, a greater margin of earnings for the enterprise, and lower selling prices for the benefit of the consumer. These cooperative procedures can and should also be directed to improvement of materials, maintenance of equipment, improvement of quality, reduction of lost time, safety, and a multitude of other factors of production."

Mr. Green concluded:

"Let me suggest that this conference explore means of extending, improving, and implementing the methods of voluntary arbitration as a part of the due process in the adjudication of the issues in dispute.

"Voluntary arbitration is an effective a method for the settlement of disputes as the procedures which are designed to carry it out. To be effective, it must be based on voluntary and democratic consent.

"Arbitration fails if it is based upon compulsion. Compulsory arbitration has failed in the past and will not work in the future. A compulsory imposition upon either management or labor of the uninvited and the unaccepted judgment of a third party can only bring about more unrest instead of promoting industrial peace. Compulsory arbitration goes against every precept, against the very grain, of the democratic process. Labor and management must resist with equal strength any attempt to foist arbitrary compulsion upon them."

The second day of the conference was taken up by open discussion of various points in the agenda after which the conference committee went into session in an attempt to reach agreement on recommendations to present to the full meeting.